

## **Monthly Transit Pass Payroll Deduction Fact Sheet**

### **What is it?**

You can purchase a monthly transit pass by having the discounted fee deducted from your paycheck every month. Transit fees will be eligible for a pre-tax exemption similar to the payroll deduction program currently in place for specified parking fees.

### **How will this benefit me?**

- Less stress - You don't have to remember what time and what day to buy your pass.
- Time Savings - No waiting in line.
- Convenience - If you are sick or tied up in meetings, you'll still get your pass.
- Instant accounting - No more waiting 45 days or more for your check to clear.
- No disappointments - You don't have to worry about passes being sold out.
- Less paperwork - You don't have to submit forms to get your discount.

### **How much does it cost?**

The cost will vary by transit operator. The Transit Pass Payroll Deduction Program Coordinator will contact enrollees once the program is established with exact fares. The Office of the State Controller will also charge a 25-cent administrative fee per month.

### **What is the advantage of a pre-tax exemption?**

A pre-tax exemption means that your transit fare is deducted from your gross salary prior to any state or federal taxes. This lessens the amount of income that is taxable.

### **I won't be at work every day in the month, why should I buy a pass?**

Those who occasionally take a day or two off in any given month will find the convenience and benefits of the payroll deduction option outweighs the cost for unused rides during those leave days [which is relatively small due to the State's subsidy] and the hassle of having to purchase and utilize individual tickets. Payroll deduction may not be the right choice for those who take extended vacations periodically, as the payroll deduction program requires a minimum one-year commitment\*.

\*Hardship exceptions to this policy would be allowed, such as a change of job status.

### **How will my monthly pass come to me?**

Your pass will be delivered to you by your timekeeper (the person who hands out your pay stub) around the 25<sup>th</sup> of the month, when you enroll in the payroll deduction program. For instance, if you send in your enrollment request form by September 5<sup>th</sup>, you would receive your pass for October around September 25<sup>th</sup>.